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ATTORNEYS AT LAW
1508 Lady Street
COLUMBIA, SOUTH CAROLINA 29201
sellott@elliottlaw.us

SCOTT ELLIOTT

October 29, 2013

TELEPHONE (803) 771-0555
FACSIMILE (803) 771-8010

VIA ELECTRONIC FILING

Jocelyn D. Boyd, Esquire
Chief Clerk & Administrator
SC Public Service Commission
P. O. Box 11649
Columbia, SC 29211

Re: *Application of AAA Utilities, Inc. for Adjustment of Rates
and Charges and Modifications to Certain Terms and Conditions
for the Provision of Water Service*
Docket No. 2013-47-W

Dear Ms. Boyd:

Enclosed please find for filing the Application of AAA Utilities, Inc. for adjustment of rates and charges and modification of certain terms and conditions for the provision of water service. By copy of this letter, I am serving the Office of Regulatory Staff with this Application.

If you have any questions or need any further information, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/mlw
Enclosures
cc & enc.:

Shannon Bowyer Hudson, Esquire
Courtney Dare Edwards, Esquire

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

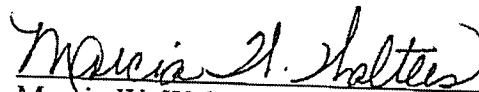
RE: Application of AAA Utilities, Inc. for Adjustment of Rates
and Charges and Modifications to Certain Terms and
Conditions for the Provision of Water

Docket No. 2013-47-W

PARTIES SERVED: Shannon Bowyer Hudson, Esquire
Courtney Dare Edwards, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

PLEADING: Application

DATE: October 29, 2013



Marcia W. Walters
Legal Assistant
Elliott & Elliott, PA
1508 Lady Street
Columbia, SC 29201

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2013-47-W

IN RE: Application of AAA Utilities, Inc.)	
for Adjustment of Rates and Charges)	
and Modifications to Certain Terms)	
and Conditions for the Provision)	APPLICATION
of Water Service)	

AAA Utilities, Inc. ("Applicant" or "Company") would respectfully show unto, and request of, the Commission as follows:

BACKGROUND

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina and authorized to do business in the State of South Carolina.

2. Applicant is a public utility, as defined by S.C. Code Ann. §58-5-10(4), providing water service to the public for compensation in Richland and Lexington Counties, South Carolina pursuant to rates approved by the Commission in Docket No. 1994-278-WS, Order No. 95-1579, dated October 23, 1995.

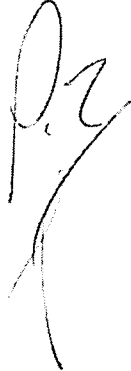
3. All communications or inquiries regarding this Applicant should be directed as set forth below:

Scott Elliott
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, SC 29201
(803) 771-0555
(803) 771-8010 (F)
selliott@elliottlaw.us

REQUEST FOR RATE RELIEF AND APPROVAL OF RATE SCHEDULE MODIFICATIONS

4. Pursuant to S.C. Code Ann. §58-5-240 and 26 S.C. Code Ann. Regulation RR. 103-712.4.A, Applicant requests that the Commission approve the monthly water service charges set forth in the one (1) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A". Pursuant to 26 S.C. Code Ann. Regulations RR. 103-703, Applicant further proposes a modification to the terms and conditions for the provision of water service to provide a provision seeking a pass-through of the adjustment to customers in Lakeside Forest Subdivision.

SUPPORTING DOCUMENTATION



5. Applicant proposes a test year of January 1, 2012 to December 31, 2012, and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by reference. These financial statements include:

- a. Balance sheet (Exhibit "B")
- b. Current and pro forma income and expense statements (Exhibits "C" and "D")
- c. Water proposed revenues (Exhibit "E")
- d. Schedule of current and projected customers (Exhibit "F")
- e. Company's depreciation schedule (Exhibit "G")

6. Exhibit "H" is the most recent approval letter from the South Carolina Department of Health and Environmental Control ("DHEC").

7. Attached hereto and incorporated herein by this reference as Exhibit "I" is the Company's current customer bill form.
8. Attached hereto and incorporated herein by this reference as Exhibit "J" is evidence of the Company's most recent Gross Receipts Tax filing.
9. The Company's Annual Report for the last period is on file with this Commission.
10. The Company's current rate schedule as approved by Order No. 95-1579 dated October 23, 1995, is on file with this Commission.
11. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720.
12. A map depicting Applicant's current service area is on file with the Commission.
13. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rule R. 103-712.4 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.

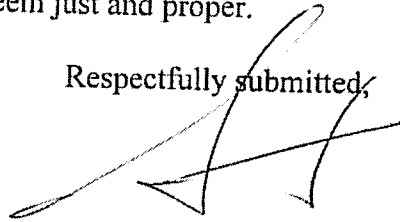
NEED AND JUSTIFICATION FOR RATE RELIEF

14. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Said rates proposed are also necessary in order that the Applicant may comply with the standards and regulations set by DHEC and other environmental regulatory authorities. Said rates will provide the Applicant with a

reasonable operating margin of 8.12% and preserve the financial integrity of Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water and sewer services.

WHEREFORE, having fully set forth its Application, AAA Utilities, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.

Respectfully submitted,



Scott Elliott, Esquire
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, SC 29201
Phone: (803) 771-0555
Fax: (803) 771-8010
Email: selliott@elliottlaw.us

Attorneys for Applicant AAA Utilities, Inc.

Columbia, South Carolina
October 29, 2013

EXHIBIT A

AAA UTILITIES, INC.

PROPOSED SCHEDULE OF RATES AND CHARGES

1. Monthly Recurring Charges

Unmetered Water:

Perry Subdivision	\$25.00 per month
Landpoint Subdivision	\$25.00 per month
Love Valley	\$25.00 per month

Metered Water:

Base Charge	\$11.00 per month
Commodity Charge	\$ 3.50 per 1,000 gallons

2. Nonrecurring Charges

Tap Fee	\$500.00
Account Set Up Charge	\$ 25.00 per unit per event
Reconnect Fee	\$ 75.00

Late Penalty Charge AAA may charge a late payment penalty up to the maximum amount allowed by applicable South Carolina statute and/or Public Service Commission Rule.

NSF Charge AAA may charge a NSF check charge up to the maximum amount allowed by applicable South Carolina Statute and/or Public Service Commission Rule.

3. Purchased Water Adjustment

AAA purchases potable water from Batesburg Leesville Water to serve the Lakeside Forest Subdivision. In the event Batesburg Leesville Water adjusts the unit price per 1,000 gallons, AAA seeks a pass-through of the adjustment to customers in Lakeside Forest Subdivision subject to the Commission approved notification process.

EXHIBIT B

**AAA UTILITIES, INC.
BALANCE SHEET
December 31, 2012**

ASSETS AND OTHER DEBITS

UTILITY PLANT

Utility Plant In Service	\$66,524
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ACCUMULATED DEPRECIATION

Accumulated Depreciation - Utility Plant In Service	<u>50,980</u>
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Net Utility Plant	<u>\$15,544</u>
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OTHER PROPERTY AND INVESTMENTS

Non-utility Property	\$127,564
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Accumulated Depreciation - Non-utility Property	<u>127,564</u>
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Net Other Property	<u>-0-</u>
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CREDIT AND ACCRUED ASSETS

Cash On Hand	\$ 2,581
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Customer Accounts Receivable	<u>5,946</u>
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Total Current and Accrued Assets	<u>8,527</u>
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Total Assets and Other Debits	<u>\$ 24,071</u>
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EQUITY CAPITAL AND LIABILITIES

EQUITY CAPITAL

Common Stock Issued	\$ 100
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Other Paid-In Capital	100
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Unappropriated Retained Earnings	(31,052)
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Total Equity Capital	(30,852)
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LONG-TERM DEBT

Other Long-term Debt	<u>\$7,112</u>
Total Long-term Debt	<u>\$7,112</u>

CURRENT AND ACCRUED LIABILITIES

Accounts Payable	\$44,467
Customer Deposits - Billing	<u>3,344</u>
Total Current and Accrued Liabilities	<u>\$47,811</u>
TOTAL EQUITY CAPITAL AND LIABILITIES	<u>\$24,071</u>

EXHIBIT C

AAA UTILITIES, INC.
PRO FORMA INCOME AND EXPENSE STATEMENT
Twelve Months Ended December 31, 2012

	Per Book	Pro forma Adjustments	As Adjusted	Prop Inc.	After Inc.
REVENUES:	\$	\$	\$	\$	\$
Unmetered Water	13,020	(1) 2,760	15,780	(7) 4,920	20,700
Metered Water	82,842	(2) (5,961)	76,881	(8) 35,453	112,334
Miscellaneous	580		580		580
Total Water Revenue	96,442	(3,201)	93,241	40,373	133,614
OPERATING EXPENSES:					
Salaries and Wages	13,000	(3) 10,368	23,368		23,368
Purchased Water	5,292		5,292		5,292
Purchased Power	15,608		15,608		15,608
Chemicals	383		383		383
Contractual Services -Acct.	665		665		665
Contractual Services -Eng.	4,910		4,910		4,910
Contractual Services - Lab	9,876		9,876		9,876
Transportation Balance	8,035		8,035		8,035
Insurance Expense	9,379		9,379		9,379
Repairs	11,581		11,581		11,581
Misc. Expense	6,158	(4) 750	6,908		6,908
Depreciation	3,786	(5) 807	4,593		4,593
Ut. Regulatory Fees	581		581		581
Property Tax	697		697		697
Payroll Tax	87	(6) 1,753	1,753		1,753
Other Taxes & Licenses	9,200		9,200	(9) 378	9,578
Federal Income Tax				(10) 5,699	5,699
State Income Tax	326		326	(11) 2,000	2,326
Interest Expense	1,539		1,539		1,539
Total Operating Expense	101,103	13,678	114,694	8,077	122,771
Total Operating Income	(4,661)	(16,879)	(21,453)	32,296	10,843

EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS

Adjustment #1	AAA proposes to annualize per book unmetered revenue to reflect year end customers at current rates.
Adjustment #2	AAA proposes to annualize per book metered revenue to reflect year end customers at current rates.
Adjustment #3	AAA proposes to increase salaries and wages to reflect allocation of administrative personnel salaries assigned to the well drilling operation.
Adjustment #4	AAA proposes to increase miscellaneous expense to reflect rate case expense associated with this filing.
Adjustment #5	AAA proposes to increase depreciation expense to reflect depreciation on pumping equipment incurred outside of the test year.
Adjustment #6	AAA proposes to increase payroll tax for salaries and wages.
Adjustment #7	AAA proposes to increase unmetered water revenue to reflect the revenue from proposed unmetered water rates.
Adjustment #8	AAA proposes to increase metered water revenue to reflect the revenue from proposed metered water rates.
Adjustment #9	AAA proposes to increase other taxes and licenses to reflect PSC assessments and gross receipt tax associated with adjustments #7 and #8.
Adjustment #10	AAA proposes to increase federal income tax associated with adjustments #7 and #8.
Adjustment #11	AAA proposes to increase state income tax associated with adjustments #7 and #8.

EXHIBIT D

AAA UTILITIES, INC.
INCOME AND EXPENSE STATEMENT

	December 31, 2011	December 31,
	<u>\$</u>	<u>\$</u>
UTILITY OPERATING INCOME:		
Total Utility Operating Revenues	<u>100,369</u>	<u>96,442</u>
UTILITY OPERATING EXPENSES:		
Operating Expenses	86,855	84,887
Depreciation Expense	2,788	3,786
Utility Regulatory Assessment Fee	785	581
Property Taxes	724	697
Payroll Taxes	992	87
Other Taxes and Licenses	7,652	9,200
State Income Taxes	<u>365</u>	<u>326</u>
Total Utility Operating Expenses	<u>100,161</u>	<u>99,564</u>
Net Utility Operating Income (Loss)	208	(3,122)
Interest Expenses on Long Term Debt	<u>4,305</u>	<u>1,539</u>
Net Income (Loss)	(4,097)	(4,661)

EXHIBIT E

AAA UTILITIES, INC.

CALCULATION OF PROPOSED WATER REVENUE

CUSTOMER CATEGORY:

1. UNMETERED WATER:

Perry Subdivision:

Number of Customers	28
Current Monthly Recurring Charge	\$25.00
Proposed Monthly Recurring Charge	\$25.00
Annualized Water Revenue - Current Rates	\$8,400.00
Annualized Water Revenue - Proposed Rates	\$8,400.00

Landpoint Subdivision:

Number of Customers	28
Current Monthly Recurring Charge	\$15.00
Proposed Monthly Recurring Charge	\$25.00
Annualized Water Revenue - Current Rates	\$5,040.00
Annualized Water Revenue - Proposed Rates	\$8,400.00

Love Valley:

Number of Customers	13
Current Monthly Recurring Charge	\$15.00
Proposed Monthly Recurring Charge	\$25.00
Annualized Water Revenue - Current Rates	\$2,340.00
Annualized Water Revenue - Proposed Rates	\$3,900.00

2. METERED WATER - BASE CHARGE

Number of Customers	288
Current Base Charge	\$7.50 per month
Proposed Base Charge	\$11.00 per month
Annualized Base Charge Revenue - Current Rates	\$25,920.00
Annualized Base Charge Revenue - Proposed Rates	\$38,016.00

3. METERED WATER - COMMODITY CHARGE

Number of Customers	288
Average Monthly Consumption	6,144 gallons
Current Commodity Charge	\$2.40 per 1,000 gallons
Proposed Commodity Charge	\$3.50 per 1,000 gallons
Annualized Commodity Revenue - Current Rates	\$50,961.00
Annualized Commodity Revenue - Proposed Rates	\$74,318.00

EXHIBIT F

AAA UTILITIES, INC.

SCHEDULE OF CURRENT AND PROJECTED CUSTOMERS

December 31, 2012

<u>System</u>	<u>Customers</u>	<u>Potential Growth</u>
Chasehunt	31	0
Hilton Sound	19	0
Lakeside Forest	17	0
Landspoint	28	0
Love Valley	13	0
Murray Hills	57	0
Perry	28	0
Ridge Pointe	71	0
Rockford Place	75	0
Shealy Estates	<u>18</u>	<u>0</u>
Totals	357	0

EXHIBIT G

AAA UTILITIES, INC.
UTILITY PLANT IN SERVICE
December 31, 2012

	UTILITY PLANT \$	ACCUMULATED DEPRECIATION \$	NET UTILITY PLANT \$
Pumping Equipment	66,524	50,980	15,544

EXHIBIT H



Catherine R. Templeton, Director

Promoting and protecting the health of the public and the environment

May 22, 2013

Scott Elliott, Esquire
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, SC 2920

RE: PSC Rate Case
AAA Utilities, Inc.

Dear Mr. Elliott:

This letter confirms that the systems listed below have proper operating permits from this office.

CHASEHUNT	3250104
HILTON SOUND	3250024
LAKE SIDE FOREST	3250030
LANDS POINT	4050004
LOVE VALLEY	4050020
MURRAY HILLS	3250014
PERRY	4150007
SHEALY ESTATES	3250102
ROCKFORD PLACE	3250099
RIDGE POINTE	3250105

Sincerely,

Jeffrey deBessonet
Water Facilities Permitting Division

Cc: Harry Mathis
Doug Kinard

EXHIBIT I

3071 Hwy 6
Lexington, SC 29073 303-755-1201

Exhibit I

Billing Date	Customer Name	Account Number
9/4/2013	9/4/2013	1-1

Service Address 3071 Hwy 6		
From:	9/4/2013	0
To:	9/4/2013	100
Consumption		100

Previous Balance	\$0.00
Late Payment Fee	\$0.00
Basic + Usage	\$19.00
SC DREG FEES	\$0.63

Taxes	\$0.00
-------	--------

Total Amount Due	\$20.63
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The applicable rate schedule will be furnished upon request.

Please Return Bill and Payment with Payment

Billing Date	Account Number	Amount Due
9/4/2013	1-1	\$20.63

Ms. Jane Doe
3071 Hwy 6
Lexington, SC-29073

EXHIBIT J



and
SOUTH CAROLINA OFFICE OF REGULATORY STAFF
GROSS RECEIPTS FOR THE TWELVE (12) MONTHS ENDING JUNE 30, 2012
 (Please correct preprinted information as required)



AAA Utilities, Inc
 Company Name (as shown on Certificate)

FEIN



List d/b/a and/or t/a aliases
 3071 Hwy 6

Address	Lexington	SC	29073
J. E. Swearingen	City	State	Zip Code
Regulatory Contact	1-803-755-1203		
	Area Code & Phone Number		E-Mail

INTRASTATE GROSS RECEIPTS

Revenues Derived Via South Carolina Operations from:

Water Revenues

Sewer Revenues

Electricity Revenues

Natural Gas Revenues

Railroad Revenues

Telecommunications Revenues:

ILEC (Local Exchange)

CLEC (Competitive Local Exchange)

IXC (Long Distance)

PSP (Payphone Service Provider)

Wireless (Eligible Telecommunications Carrier)

Total Revenues Derived Via South Carolina Operations

Preparer's Signature

Affidavit

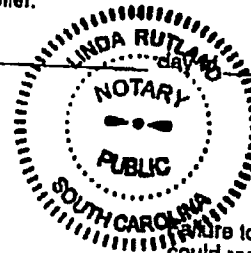
State of South Carolina County of Lexington
 Personally appeared before me Linda Rutland
 says that he/she is the Joseph E. Swearingen of AAA Utilities, Inc who, being duly sworn,
 that the foregoing statement, for the twelve (12) months ending June 30, 2012 (Company) and
 of said Company, and is true to the best of his/her knowledge and belief.

Sworn to and subscribed before me this 3rd day of July, 2012.
Linda Rutland
 Notary Public Expires April 28, 2022

My commission expires _____

Return completed form to:

South Carolina Office of Regulatory Staff
 Gross Receipts Department
 1401 Main Street, Suite 900
 Columbia, SC 29201



Place
 Seal
 Here

Failure to timely complete and submit this form
 could result in the loss of your license, authority
 or certificate to operate in South Carolina.

Return Deadline Is August 31, 2012